



OLVI GROUP'S FINANCIAL STATEMENTS JANUARY TO DECEMBER 2020

FINANCIAL PERFORMANCE IN BRIEF

Olvi Group's sales volume, net sales and operating profit for 2020 made all-time highs for the fifth year in a row, in spite of the corona pandemic. The Group's financial standing also remained on a good level. The Board proposes a dividend of 1.10 (1.00) euro per share.

Near-term outlook

Olvi's operating profit for fiscal year 2021 is expected to remain on the previous year's good level.

Compared to the previous year, first-quarter performance will be impacted by strict restrictions arising from the corona pandemic. Total consumption across the markets is expected to decline temporarily. Also, plans are in place for more effort to be put into marketing in order to prepare for the high season.

CONSOLIDATED KEY RATIOS

| | 10-12/ 2020 | 10-12/ 2019 | Change % / pp | 1-12/ 2020 | 1-12/ 2019 | Change % / pp |
|---------------------------------|----------------|----------------|------------------|---------------|---------------|------------------|
| Sales volume, Mltr | 170.3 | 159.3 | 6.9 | 765.9 | 718.3 | 6.6 |
| Net sales, MEUR | 93.0 | 93.6 | -0.6 | 414.9 | 408.7 | 1.5 |
| Gross margin, MEUR | 13.4 | 14.3 | -6.0 | 81.4 | 76.7 | 6.1 |
| % of net sales | 14.4 | 15.2 | | 19.6 | 18.8 | |
| Operating profit, MEUR | 6.9 | 7.6 | -9.1 | 56.4 | 52.5 | 7.5 |
| % of net sales | 7.4 | 8.1 | | 13.6 | 12.8 | |
| Net profit for the period, MEUR | 2.9 | 6.9 | -57.7 | 40.9 | 42.2 | -3.1 |
| % of net sales | 3.1 | 7.4 | | 9.9 | 10.3 | |
| Earnings per share, EUR | 0.14 | 0.33 | -57.6 | 1.96 | 2.02 | -3.0 |
| Investments, MEUR | 6.9 | 6.9 | -0.3 | 32.0 | 31.0 | 3.4 |
| Equity per share, EUR | | | | 12.81 | 12.58 | 1.8 |
| Equity to total assets, % | | | | 63.8 | 66.4 | -2.6 |
| Gearing, % | | | | -15.5 | -11.6 | 3.9 |

BUSINESS DEVELOPMENT

LASSE AHO, MANAGING DIRECTOR:

Olvi Group's performance was strong in spite of the corona pandemic

Olvi Group's full-year business development continued on a good track. Sales volume increased by 47.6 million litres or 6.6 percent on the previous year. Net sales increased by 1.5 percent. Net sales development was affected by the corona pandemic; the focus of sales was on retail trade, and this increased the share of inexpensive multipacks. Operating profit improved to 56.4 million euro, an increase of 7.5 percent. Good development was made possible by strong market shares in retail trade across Olvi's operating countries. We responded quickly to the uncertainty caused by the corona pandemic in the second and third quarters and carried out cost-cutting measures. However, long-term innovative product development continued, as well as investments in improving operational efficiency and increasing production capacity. Olvi has good prerequisites for success also in 2021.

In the fourth quarter, sales volume continued on a strong growth track at 6.9 percent, net sales were on a par with the previous year, but operating profit declined by 9.1 percent. Development was impacted by strict restrictions under the second wave of the corona pandemic, which we anticipated in the interim report issued on 29 October 2020. The restrictions concerned opening hours and sales of alcoholic products in the HoReCa sector, and in some of Olvi's operating countries, also retail trade. Substantial additional effort was put into



marketing, particularly with regard to new product development and launches. Fourth-quarter net profit was impacted by one-off write-downs in the subsidiaries, particularly on packaging materials, as well as increases in deferred taxes associated with dividend payouts planned for the following year in those subsidiaries where taxes are payable upon the repatriation of earnings.

The corona pandemic has had a substantial impact on business in 2020. Consumer purchasing patterns have changed and varied along the year due to restrictions on movement and other measures taken to contain the spreading of the coronavirus. In the third quarter, the Group's HoReCa sales recovered close to the previous year's level but dropped again substantially towards the end of the year. The impacts on cross-border sales between Estonia and Finland have been similar. All in all, demand was strongly focused on retail trade, where the sales of large package sizes in particular have increased substantially. Strong sales growth in retail trade has enabled good development of Olvi's total sales. Furthermore, export sales have increased, and the Group has been successful in opening new export markets in spite of the corona pandemic. Olvi's production facilities have been able to operate normally during the year. Compliance with guidance from the authorities and the Group's own guidelines has made it possible to protect the operations against the coronavirus.

Business in Finland developed strongly during the entire year. Sales volume increased by 11.5 percent, which outperformed the previous year by more than 25 million litres. Thanks to strong brands and a versatile range of packaging alternatives, Olvi was able to substantially increase its sales to the retail trade sector. The demand for beer increased in particular. Furthermore, restrictions on travel caused a substantial drop in the number of Finns travelling abroad, thus boosting domestic consumer demand. Net sales increased by 6.6 percent and operating profit increased by 23.4 percent, ending up at 23.0 million euro. Factors behind the earnings improvement include better production efficiency enabled by Olvi's larger sales volumes, operating profit improvements at Servaali and Helsinki Distilling Company, as well as rapid and efficient cost-saving measures in Finland. The fourth quarter was also strong, with sales volume increasing by 16.7 percent and operating profit by 68.2 percent. The operating profit improvement was particularly attributable to a new boost in litres sold through retail trade during the second wave of the corona pandemic, as well as customers stocking up before the excise tax hike.

In Estonia, the sales volume and net sales remained on a par with the previous year, even though A. Le Coq lost substantial sales volume particularly in HoReCa and cross-border sales towards Finland due to travel restrictions. However, demand in domestic retail trade increased respectively. Operating profit declined by 7.1 percent, but relative profitability remained on a good level. The fourth quarter in particular was weaker than the previous year, as harbour and on-board sales came to an almost complete halt and corona measures brought restrictions to HoReCa sales again. A. Le Coq's market position in Estonia has remained very strong, as the company is the market leader in most product categories.

In Latvia, the impact of the corona pandemic on total sales has been the greatest among Olvi Group's operating countries, due to sales restrictions imposed on retail trade as well as restaurants. There was also a substantial drop in cross-border sales. However, full-year sales volume remained on the previous year's level thanks to an increase in sales of non-alcoholic products. Net sales declined by 3.9 percent as consumers preferred less expensive packaging alternatives due to restrictions imposed on restaurants. Operating profit declined by 15.4 percent to 3.6 million euro.

In Lithuania, 2020 was a year of strong growth in spite of challenges brought by the corona pandemic. Sales volume increased by 13.8 percent and net sales by 12.6 percent. Volfas Engelman's domestic market position has strengthened particularly in beers. This supports the development of average price. The further development of exports has been successful, showing growth of 47 percent. Operating profit improved by 13.1 percent and exceeded the 4 million euro mark for the first time.

Also in Belarus, business development continued on a good track. The company's sales volume increased for the eleventh year in a row. Sales volume increased by 5.4 percent thanks to domestic retail sales and exports to Russia. However, the local currency began to weaken heavily in the beginning of the year, and devaluation of 35 percent impacted the development of net sales measured in euro. Due to this, net sales in euro declined by 8.2 percent in spite of an increase of 9.3 percent measured in the local currency. Operating profit improved



by 6.4 percent, thanks to better profitability through production efficiency as well as temporary cost savings. The operating profit improvement in local currency was 26 percent. Relative profitability made an all-time high as operating profit increased to 16.4 percent of net sales.

Olvi Group continued its investments in developing future business. Investments for the year totalled 32.0 million euro. The most important investments went into the juicing facility at Iisalmi and new filling lines in Finland and Belarus.

SEASONAL NATURE OF THE OPERATIONS

The Group's business operations are characterised by seasonal variation. The net sales and operating profit from the reported geographical segments do not accumulate evenly but vary according to the time of the year and the characteristics of each season.

SALES DEVELOPMENT

Olvi Group's sales volume in 2020 reached its all-time high at 765.9 (718.3) million litres. This represents an increase of 47.6 million litres or 6.6 percent on the previous year. The Group's sales volume increased in Lithuania, Finland and Belarus. Sales volumes in Estonia and Latvia remained on a par with the previous year. This is also an achievement when considering the impacts of the corona pandemic.

The Group's fourth-quarter sales volume increased by 6.9 percent. Latvia was the only country where the sales volume declined in line with a general decline in consumer demand.

| Sales volume, million litres | 10-12/ 2020 | 10-12/ 2019 | Change % | 1-12/ 2020 | 1-12/ 2019 | Change % |
|------------------------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Finland | 62.2 | 53.3 | 16.7 | 244.4 | 219.3 | 11.5 |
| Estonia | 23.5 | 23.3 | 1.2 | 109.4 | 109.5 | -0.1 |
| Latvia | 13.9 | 14.9 | -6.9 | 70.9 | 70.9 | -0.0 |
| Lithuania | 27.0 | 25.3 | 6.7 | 122.4 | 107.6 | 13.8 |
| Belarus | 48.1 | 47.0 | 2.3 | 245.7 | 233.1 | 5.4 |
| Eliminations | -4.5 | -4.6 | | -27.0 | -22.0 | |
| Total | 170.3 | 159.3 | 6.9 | 765.9 | 718.3 | 6.6 |

The Group's full-year net sales increased by 1.5 percent and amounted to 414.9 (408.7) million euro. Generally speaking, the corona pandemic had a net sales impact through average price. This was due to changes in the focus of sales channels, as well as larger package sizes.

The Group's net sales development was geographically diversified in the fourth quarter. In Finland, net sales increased along with sales volumes. In Latvia, price competition in retail trade became more intensive as HoReCa sales were halted. In Belarus, the weakened exchange rate caused a decline in comparable net sales; measured in the local currency, net sales improved by 7 percent.

| Net sales, million euro | 10-12/ 2020 | 10-12/ 2019 | Change % | 1-12/ 2020 | 1-12/ 2019 | Change % |
|-------------------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Finland | 44.9 | 41.2 | 9.1 | 180.3 | 169.1 | 6.6 |
| Estonia | 15.0 | 15.2 | -0.7 | 70.8 | 71.3 | -0.6 |
| Latvia | 7.1 | 8.2 | -13.2 | 37.4 | 38.9 | -3.9 |
| Lithuania | 12.4 | 11.6 | 6.7 | 55.5 | 49.3 | 12.6 |
| Belarus | 15.8 | 19.7 | -20.0 | 83.3 | 90.8 | -8.2 |
| Eliminations | -2.3 | -2.3 | | -12.5 | -10.6 | |
| Total | 93.0 | 93.6 | -0.6 | 414.9 | 408.7 | 1.5 |



EARNINGS DEVELOPMENT

The Group's operating profit for January-December increased by 7.5 percent and amounted to 56.4 (52.5) million euro, or 13.6 (12.8) percent of net sales. Operating profit development was attributable to increased sales volumes as well as cost savings, particularly in the second and third quarters.

The Group's fourth-quarter operating profit amounted to 6.9 (7.6) million euro. Operating profit improved in Finland but declined in the other operating countries.

| Operating profit, million euro | 10-12/ 2020 | 10-12/ 2019 | Change % | 1-12/ 2020 | 1-12/ 2019 | Change % |
|--------------------------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Finland | 4.2 | 2.5 | 68.2 | 23.0 | 18.7 | 23.4 |
| Estonia | 1.8 | 2.5 | -28.0 | 13.3 | 14.3 | -7.1 |
| Latvia | 0.2 | 0.5 | -58.6 | 3.6 | 4.3 | -15.4 |
| Lithuania | 0.3 | 0.6 | -53.1 | 4.2 | 3.7 | 13.1 |
| Belarus | 0.9 | 1.9 | -54.2 | 13.6 | 12.8 | 6.4 |
| Eliminations | -0.4 | -0.4 | | -1.3 | -1.2 | |
| Total | 6.9 | 7.6 | -9.1 | 56.4 | 52.5 | 7.5 |

The Group's net profit for 2020 declined by 3.1 percent and amounted to 40.9 (42.2) million euro. The Group's fourth-quarter net profit was 2.9 (6.9) million euro. Net profit is hampered by exchange rate differences recognised in financial expenses due to the weakened Belarusian exchange rate (2.0 million euro), as well as deferred taxes on the planned dividend payment out of A. Le Coq's earnings for 2020 (2.6 million euro) in addition to dividend taxes paid in 2020.

Earnings per share calculated from the profit belonging to parent company shareholders declined in January-December and stood at 1.96 (2.02) euro. Fourth-quarter earnings per share amounted to 0.14 (0.33) euro.

BALANCE SHEET, FINANCING AND INVESTMENTS

Olvi Group's balance sheet total at the end of December 2020 was 420.4 (397.4) million euro. Equity per share at the end of 2020 stood at 12.81 (12.58) euro. Devaluation of the Belarusian currency has an impact on the consolidated balance sheet. Equity per share for 2020 would have been 13.53 euro without the change in translation differences. The Group's financial standing and liquidity are on a good level. The equity to total assets ratio was 63.8 (66.4) percent, the gearing ratio stood at -15.5 (-11.6) percent and the current ratio was 1.3 (1.3).

Consolidated cash flow from operations declined slightly on the previous year, due to the change in working capital arising from the parent company's reduced use of receivables factoring. The cash flow figure was 65.8 (67.3) million euro. The Group's liquid assets increased by 12.5 million euro.

Olvi Group's capital expenditure on extensions and replacements in 2020 amounted to 32.0 (31.0) million euro. The companies in Finland accounted for 14.0 million euro, the Baltic subsidiaries for 10.0 million euro and Lidskoe Pivo in Belarus for 8.0 million euro of the total. Olvi Group has continued investments in increasing and diversifying its production capacity, as well as the modernisation of production facilities.

PERSONNEL

Olvi Group's average number of personnel in January-December was 1,911 (1,877). The Group's average number of personnel increased by 1.8 percent.



Olvi Group's average number of personnel by country:

| | 10-12/ 2020 | 10-12/ 2019 | Change % | 1-12/ 2020 | 1-12/ 2019 | Change % |
|--------------|----------------|----------------|-------------|---------------|---------------|-------------|
| Finland | 370 | 365 | 1.4 | 389 | 386 | 0.8 |
| Estonia | 313 | 305 | 2.6 | 324 | 311 | 4.2 |
| Latvia | 184 | 183 | 0.5 | 193 | 195 | -1.0 |
| Lithuania | 237 | 226 | 4.9 | 240 | 230 | 4.3 |
| Belarus | 755 | 742 | 1.8 | 765 | 755 | 1.3 |
| Total | 1,859 | 1,821 | 2.1 | 1,911 | 1,877 | 1.8 |

The method of calculation for the comparison period has been adjusted to comply with the calculation of personnel numbers for 2020. The adjustment did not have any substantial effect.

BOARD OF DIRECTORS AND MANAGEMENT

There have been no changes in Olvi plc's Board of Directors or management during the review period.

OTHER EVENTS IN THE REVIEW PERIOD

Annual General Meeting

Olvi plc's Annual General Meeting of 8 April 2020 adopted the financial statements and granted discharge from liability to the members of the Board of Directors and Managing Director for the accounting period that ended on 31 December 2019. In accordance with the Board's proposal, the General Meeting decided that a dividend of 1.00 (0.90) euro be paid on each A and K share for the accounting period 2019. The dividend was paid in two instalments on 8 May 2020 and 8 September 2020.

All decisions made at the General Meeting can be found in the bulletin released on 8 April 2020.

Changes in corporate structure

There were no substantial changes in Olvi's holdings in subsidiaries in 2020. One minority shareholder was bought out of Helsinki Distilling Company Ltd.

Olvi's holdings in subsidiaries are:

| | 31 December 2020 | 31 December 2019 | Change |
|--|------------------------|------------------------|--------|
| AS A. Le Coq, Estonia | 100.00 | 100.00 | - |
| A/S Cēsu Alus, Latvia | 99.88 | 99.88 | - |
| AB Volfas Engelman, Lithuania | 99.67 | 99.66 | 0.01 |
| OAo Lidskoe Pivo, Belarus | 96.36 | 96.36 | - |
| Servaali Oy, Finland | 80.00 | 80.00 | - |
| Helsinki Distilling Company Ltd, Finland | 78.00 | 67.00 | 11.00 |

Olvi plc holds 50.0 percent of Arctic Silence Oy. The company has not had any operating activities in 2020. In addition to these, Olvi plc's subsidiaries have holdings in other companies. A. Le Coq has a 49.0 percent holding in AS Karne and 20.0 percent holding in Verska Mineraalvee OÜ in Estonia. AB Volfas Engelman has a 100 percent holding in UAB Uniqa. OAo Lidskoe Pivo has a 100 percent holding in Trade House Lidskoe Pivo.



Share-based payments

At the beginning of 2019, Olvi plc initiated a share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. Detailed information on the incentive plan is provided in Table 5, Section 4 of the tables attached to this financial statements bulletin.

Treasury shares

On the date of closing the accounts, 31 December 2020, the total number of Series A shares held by the company as treasury shares was 38,560 and the total acquisition price was 1,802,467.05 euro. Series A shares held by Olvi plc as treasury shares represent 0.19 percent of all shares and 0.04 percent of the aggregate number of votes. The treasury shares represent 0.23 percent of all Series A shares and associated votes. Treasury shares held by the company are ineligible for voting.

BUSINESS RISKS AND THEIR MANAGEMENT

Risk management

Risk management is a part of Olvi Group's everyday management and operations. The objective of risk management is to ensure the realisation of the company's strategy and secure its financial development and the continuity of business. The task of risk management is to operate proactively and create operating conditions in which business risks are managed comprehensively and systematically in all of the Group companies and all levels of the organisation.

Business risks and uncertainties in the near term

The corona pandemic still has an impact on business operations through increased risks and weakened predictability. Olvi has taken precautions for changes in business operations and prolongation of the corona crisis through cost adaptation and by drafting scenarios and contingency plans, among other measures. So far, the availability of raw materials and the health situation among personnel have been good, and no production disruptions have taken place. However, prolongation of the corona pandemic or substantial numbers of personnel falling ill may impact the production process.

Even though the corona pandemic has had an impact on operational business, for example by causing substantial changes in demand across different sales channels, the Group's financial position has remained strong. Liquidity has not been impacted. The situation has not had any substantial effect on credit loss risk either. No increases can be seen in overdue receivables or credit losses even though the corona pandemic has imposed challenges particularly on customers in the restaurant business. If the corona pandemic is prolonged, this might have an impact also on credit losses particularly in the restaurant sector.

The unstable political situation and substantial weakening of the currency exchange rate bring more uncertainty to Belarus. So far, the situation in the country has not affected the company's day-to-day operations. Operations in Belarus involve foreign exchange risks arising from the cash flows of purchases and sales in foreign currency, as well as the investment in the Belarusian subsidiary and the conversion of its income statement and balance sheet items into euro. The Group's other foreign exchange risks can be considered minor.

Other short-term risks and uncertainties are related to development of the general economic circumstances, changes in the competitive situation, as well as the impacts these may have on the company's operations. In addition to the risks described above, there have been no significant changes in Olvi Group's business risks. A more detailed description of the risks is provided in the Board of Directors' report and the notes to the financial statements, as well as in the Investors/Corporate Governance/Internal Control section of the company's Web site.



EVENTS AFTER THE REVIEW PERIOD

There have been no significant reportable changes after the review period.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFIT

The parent company Olvi plc had 98.2 (89.4) million euro of distributable funds on 31 December 2020, of which profit for the period accounted for 30.8 (37.7) million euro.

Olvi plc's Board of Directors proposes to the Annual General Meeting that distributable funds be used as follows:

1) A dividend of 1.10 (1.00) euro shall be paid for 2020 on each Series K and Series A share, totalling 22.8 (20.7) million euro. The dividend represents 56.0 (49.6) percent of Olvi Group's earnings per share. The dividend will be paid in two instalments. The first instalment of 0.55 euro per share will be paid on 20 April 2021 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 6 April 2021. The second instalment of 0.55 euro per share will be paid on 3 September 2021 to shareholders registered in the register of shareholders held by Euroclear Finland Ltd on the record date 27 August 2021.

No dividend shall be paid on treasury shares.

2) 75.4 million euro shall be retained in the parent company's non-restricted equity.

FINANCIAL REPORTS IN 2021

Olvi Group's Annual Report and notice of Annual General Meeting will be published on 10 March 2021. The Annual Report will include the Board of Directors' report and corporate responsibility report, the consolidated and the parent company's financial statements and the auditors' report for the financial year 1 January to 31 December 2020. The Corporate Governance Statement and the Remuneration Report for 2020 will be published as attachments to the Annual Report. The Annual Report and notice to convene the AGM will be available on Olvi plc's Web site.

The following interim reports will be released in 2021:

Interim Report for January-March on 29 April 2021,
Half-Year Report for January-June on 12 August 2021 and
Interim Report for January-September on 2 November 2021.

OLVI PLC
Board of Directors

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TABLES:

- Statement of comprehensive income, Table 1
- Balance sheet, Table 2
- Changes in shareholders' equity, Table 3
- Cash flow statement, Table 4
- Notes to the financial statements bulletin, Table 5

DISTRIBUTION:

NASDAQ OMX Helsinki Ltd
Key media
www.olvi.fi



| STATEMENT OF COMPREHENSIVE INCOME | | | | |
|--|---------------|---------------|----------------|----------------|
| EUR 1,000 | | | | |
| | 10-12/ 2020 | 10-12/ 2019 | 1-12/ 2020 | 1-12/ 2019 |
| Net sales | 93,017 | 93,579 | 414,884 | 408,706 |
| Other operating income | 340 | 166 | 923 | 1,417 |
| Operating expenses | -79,965 | -79,490 | -334,400 | -333,423 |
| Depreciation and impairment | -6,501 | -6,677 | -24,972 | -24,186 |
| Operating profit | 6,891 | 7,578 | 56,435 | 52,514 |
| Financial income | 84 | 377 | 277 | 1488 |
| Financial expenses | -567 | -126 | -2,903 | -492 |
| Share of profit in associates | 2 | 13 | 2 | 13 |
| Earnings before tax | 6,410 | 7,842 | 53,811 | 53,523 |
| Income taxes *) | -3,495 | -960 | -12,895 | -11,293 |
| NET PROFIT FOR THE PERIOD | 2,915 | 6,882 | 40,916 | 42,230 |
| Other comprehensive income items that may be subsequently reclassified to profit and loss: | | | | |
| Translation differences related to foreign subsidiaries | -1,250 | -2,774 | -15,588 | 2,887 |
| Change in fair value, other investments | 0 | 369 | 0 | 369 |
| Income taxes related to these items | 6 | 67 | 263 | -130 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 1,671 | 4,544 | 25,591 | 45,356 |
| Distribution of profit: | | | | |
| - parent company shareholders | 2,880 | 6,816 | 40,559 | 41,760 |
| - non-controlling interests | 35 | 66 | 357 | 470 |
| Distribution of comprehensive income: | | | | |
| - parent company shareholders | 1,677 | 4,552 | 25,704 | 44,814 |
| - non-controlling interests | -6 | -8 | -113 | 542 |
| Earnings per share calculated from the profit belonging to parent company shareholders, EUR | | | | |
| - undiluted | 0.14 | 0.33 | 1.96 | 2.02 |
| - diluted | 0.14 | 0.33 | 1.96 | 2.02 |

*) Income taxes calculated from the profit for the review period.



| BALANCE SHEET | 31 December 2020 | 31 December 2019 |
|---|---------------------|---------------------|
| EUR 1,000 | | |
| ASSETS | | |
| Non-current assets | | |
| Tangible assets | 204,156 | 208,701 |
| Goodwill | 25,172 | 26,360 |
| Other intangible assets | 9,925 | 10,598 |
| Shares in associates | 994 | 1,016 |
| Other investments | 851 | 836 |
| Loans receivable and other non-current receivables | 1,786 | 967 |
| Deferred tax receivables | 1,086 | 475 |
| Total non-current assets | 243,970 | 248,953 |
| Current assets | | |
| Inventories | 42,278 | 43,056 |
| Accounts receivable and other receivables | 88,234 | 70,685 |
| Income tax receivable | 773 | 871 |
| Liquid assets | 45,096 | 33,832 |
| Total current assets | 176,381 | 148,444 |
| TOTAL ASSETS | 420,351 | 397,397 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| Shareholders' equity held by parent company shareholders | | |
| Share capital | 20,759 | 20,759 |
| Other reserves | 1,387 | 1,387 |
| Treasury shares | -1,802 | -503 |
| Translation differences | -58,842 | -43,987 |
| Retained earnings | 303,465 | 282,895 |
| | 264,967 | 260,551 |
| Share belonging to non-controlling interests | 3,165 | 3,318 |
| Total shareholders' equity | 268,132 | 263,869 |
| Non-current liabilities | | |
| Financial liabilities | 2,303 | 2,337 |
| Other liabilities | 4,473 | 4,777 |
| Deferred tax liabilities | 11,107 | 7,859 |
| Current liabilities | | |
| Financial liabilities | 1,333 | 1,325 |
| Accounts payable and other liabilities | 132,522 | 117,100 |
| Income tax liability | 481 | 130 |
| Total liabilities | 152,219 | 133,528 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 420,351 | 397,397 |



CHANGES IN SHAREHOLDERS' EQUITY

| EUR 1,000 | Share capital | Other reserves | Treasury shares reserve | Fair value reserve | Translation differences | Retained earnings | Share of non-controlling interests | Total |
|--|---------------|----------------|-------------------------|--------------------|-------------------------|-------------------|------------------------------------|----------------|
| Shareholders' equity | | | | | | | | |
| 1 Jan 2020 | 20,759 | 1,092 | -503 | 295 | -43,987 | 282,895 | 3,318 | 263,869 |
| Comprehensive income: | | | | | | | | |
| Net profit for the period | | | | | | 40,559 | 357 | 40,916 |
| Other comprehensive income items: | | | | | | | | |
| Translation differences | | | | | -14,855 | | -470 | -15,325 |
| Total comprehensive income for the period | | | | | -14,855 | 40,559 | -113 | 25,591 |
| Transactions with shareholders: | | | | | | | | |
| Payment of dividends | | | | | | -20,710 | -38 | -20,748 |
| Acquisition of treasury shares | | | -1,299 | | | | | -1,299 |
| Share-based incentives, value of work performed | | | | | | 587 | | 587 |
| Adjustment to previous periods | | | | | | 138 | | 138 |
| Total transactions with shareholders | | | -1,299 | | | -19,985 | -38 | -21,322 |
| Changes in holdings in subsidiaries: | | | | | | | | |
| Acquisition of shares from non-controlling interests | | | | | | -6 | | -6 |
| Change in share belonging to non-controlling interests | | | | | | 2 | -2 | 0 |
| Total changes in holdings in subsidiaries | | | | | | -4 | -2 | -6 |
| Shareholders' equity | | | | | | | | |
| 31 Dec 2020 | 20,759 | 1,092 | -1,802 | 295 | -58,842 | 303,465 | 3,165 | 268,132 |
| <hr/> | | | | | | | | |
| EUR 1,000 | Share capital | Other reserves | Treasury shares reserve | Fair value reserve | Translation differences | Retained earnings | Share of non-controlling interests | Total |
| Shareholders' equity | | | | | | | | |
| 1 Jan 2019 | 20,759 | 1,092 | -956 | 0 | -46,746 | 259,864 | 3,165 | 237,178 |
| Comprehensive income: | | | | | | | | |
| Net profit for the period | | | | | | 41,760 | 470 | 42,230 |
| Other comprehensive income items: | | | | | | | | |
| Translation differences | | | | | 2,759 | | 72 | 2,831 |
| Change in fair value, other investments | | | | 295 | | | | 295 |
| Total comprehensive income for the period | | | | 295 | 2,759 | 41,760 | 542 | 45,356 |
| Transactions with shareholders: | | | | | | | | |
| Payment of dividends | | | | | | -18,640 | -137 | -18,777 |
| Acquisition of treasury shares | | | -726 | | | | | -726 |
| Sales of treasury shares to employees | | | 1,179 | | | | | 1,179 |
| Share-based incentives, value of work performed | | | | | | 539 | | 539 |
| Adjustment to previous periods | | | | | | -667 | | -667 |
| Total transactions with shareholders | | | 453 | | | -18,768 | -137 | -18,452 |
| Changes in holdings in subsidiaries: | | | | | | | | |
| Acquisition of shares from non-controlling interests | | | | | | -213 | | -213 |
| Change in share belonging to non-controlling interests | | | | | | 252 | -252 | 0 |
| Total changes in holdings in subsidiaries | | | | | | 39 | -252 | -213 |
| Shareholders' equity | | | | | | | | |
| 31 Dec 2019 | 20,759 | 1,092 | -503 | 295 | -43,987 | 282,895 | 3,318 | 263,869 |

Other reserves include the share premium account, legal reserve and other reserves.



OLVI GROUP

TABLE 4

CASH FLOW STATEMENT

EUR 1,000

| | 1-12/ 2020 | 1-12/ 2019 |
|--|----------------|----------------|
| Net profit for the period | 40,916 | 42,230 |
| Adjustments to profit for the period | 41,299 | 34,859 |
| Change in net working capital | -6,744 | 1,548 |
| Interest paid | -588 | -288 |
| Interest received | 260 | 258 |
| Dividends received | 4 | 3 |
| Taxes paid | -9,351 | -11,298 |
| Cash flow from operations (A) | 65,796 | 67,312 |
| Investments in tangible and intangible assets | -31,533 | -31,347 |
| Capital gains on disposal of tangible and intangible assets | 1,697 | 1,815 |
| Acquisition of shares from non-controlling interests | -6 | -213 |
| Acquired shares in subsidiaries, associates and joint ventures | 0 | -50 |
| Expenditure on other investments | -15 | 0 |
| Dividends received | 24 | 63 |
| Cash flow from investments (B) | -29,833 | -29,732 |
| Withdrawals of loans | 15,497 | 2,445 |
| Repayments of loans | -16,917 | -6,522 |
| Acquisition of treasury shares | -1,299 | -726 |
| Sales of treasury shares to employees | 0 | 1,179 |
| Dividends paid | -20,754 | -18,787 |
| Increase (-) / decrease (+) in current interest-bearing business receivables | 26 | -1 |
| Cash flow from financing (C) | -23,447 | -22,412 |
| Increase (+)/decrease (-) in liquid assets (A+B+C) | 12,516 | 15,168 |
| Liquid assets 1 January | 33,832 | 18,520 |
| Effect of exchange rate changes | -1,252 | 144 |
| Liquid assets 31 December | 45,096 | 33,832 |



NOTES TO THE FINANCIAL STATEMENTS BULLETIN

This financial statements bulletin has been prepared in accordance with IAS 34 Interim Financial Reporting, applying the same accounting policies as for the previous financial statements. The information in the financial statements bulletin is presented in thousands of euros (EUR 1000). For the sake of presentation, individual figures and totals have been rounded to full thousands, which causes rounding differences in additions. The ratios are calculated from exact amounts in euros. This financial statements bulletin is unaudited.

1. SEGMENT INFORMATION

NET SALES BY SEGMENT AND NET PROFIT FOR THE PERIOD 1-12/2020

| EUR 1,000 | Finland | Estonia | Latvia | Lithuania | Belarus | Eliminations | Group |
|---------------------------------|---------|---------|--------|-----------|---------|--------------|---------|
| INCOME | | | | | | | |
| External sales | 178,992 | 65,029 | 35,039 | 52,701 | 83,123 | 0 | 414,884 |
| Beverage sales | 177,738 | 65,029 | 35,039 | 52,701 | 83,123 | 0 | 413,630 |
| Equipment services | 1,254 | 0 | 0 | 0 | 0 | 0 | 1,254 |
| Internal sales | 1,321 | 5,805 | 2,338 | 2,799 | 217 | -12,480 | 0 |
| Total net sales | 180,313 | 70,834 | 37,377 | 55,500 | 83,340 | -12,480 | 414,884 |
| Total net profit for the period | 31,011 | 10,536 | 3,572 | 3,402 | 7,583 | -15,188 | 40,916 |

NET SALES BY SEGMENT AND NET PROFIT FOR THE PERIOD 1-12/2019

| EUR 1,000 | Finland | Estonia | Latvia | Lithuania | Belarus | Eliminations | Group |
|---------------------------------|---------|---------|--------|-----------|---------|--------------|---------|
| INCOME | | | | | | | |
| External sales | 167,579 | 67,297 | 37,014 | 46,266 | 90,550 | 0 | 408,706 |
| Beverage sales | 165,965 | 67,297 | 37,014 | 46,266 | 90,550 | 0 | 407,092 |
| Equipment services | 1,614 | 0 | 0 | 0 | 0 | 0 | 1,614 |
| Internal sales | 1,523 | 3,990 | 1,867 | 3,014 | 222 | -10,616 | 0 |
| Total net sales | 169,102 | 71,287 | 38,881 | 49,280 | 90,772 | -10,616 | 408,706 |
| Total net profit for the period | 37,385 | 10,578 | 4,057 | 3,104 | 10,606 | -23,500 | 42,230 |

2. RELATED PARTY TRANSACTIONS

Employee benefits to management

Salaries and other short-term employee benefits to the Board of Directors and Managing Director

| EUR 1,000 | 1-12/ 2020 | 1-12/ 2019 |
|----------------------------|------------|------------|
| Managing Director | 550 | 766 |
| Chairman of the Board | 74 | 71 |
| Other members of the Board | 172 | 171 |
| Total | 796 | 1,008 |



3. SHARES AND SHARE CAPITAL

| | 31 December 2020 | % |
|---------------------------------|------------------|-------|
| Number of A shares | 16,989,976 | 82.0 |
| Number of K shares | 3,732,256 | 18.0 |
| Total | 20,722,232 | 100.0 |
| | | |
| Total votes carried by A shares | 16,989,976 | 18.5 |
| Total votes carried by K shares | 74,645,120 | 81.5 |
| Total number of votes | 91,635,096 | 100.0 |
| | | |
| Votes per Series A share | 1 | |
| Votes per Series K share | 20 | |

The registered share capital on 31 December 2020 totalled 20,759 thousand euro.

Olvi plc's shares received a dividend of 1.00 euro per share for 2019 (0.90 euro per share for 2018), totalling 20.7 (18.6) million euro. The dividends were paid in two instalments. The first instalment of 0,50 euro per share was paid on 8 May 2020. The second instalment of 0,50 euro per share was paid on 8 September 2020. The Series K and Series A shares entitle to equal dividend. The Articles of Association include a redemption clause concerning Series K shares.

4. SHARE-BASED PAYMENTS

The aim of Olvi plc's share-based incentive plan is to combine the objectives of the shareholders and the key employees in order to increase the value of the company, to make the key employees committed to the company, and to offer them a competitive reward plan based on earning the company's shares.

In 2019, Olvi plc initiated a new share-based incentive plan for key personnel, the performance period of which is from 1 February 2019 to 31 January 2021. The prerequisite for receiving reward is that a key employee purchases the company's Series A shares up to the maximum number determined by the Board of Directors and that employment or service continues upon reward payment. Rewards will be paid partly in the company's Series A shares and partly in cash in 2021. The cash proportion is intended to cover taxes and tax-related costs arising from the rewards to the key employees. The plan is directed to approximately 60 people.

In accordance with the share-based incentive plan, Olvi plc sold a total of 36,450 treasury shares to the target group members in 2019 for a price of 1,179,330.37 euro. From January to December 2020, costs associated with the plan were recognised for a total of 1,559.8 thousand euro. Olvi Group does not have any other share-based plans or option plans.

| 5. NUMBER OF SHARES *) | 1-12/ 2020 | 1-12/ 2019 |
|------------------------|------------|------------|
| - average | 20,708,331 | 20,708,204 |
| - at end of period | 20,683,672 | 20,710,683 |



6. TRADING OF SERIES A SHARES ON THE HELSINKI STOCK EXCHANGE

| | 1-12/ 2020 | 1-12/ 2019 |
|---|------------|------------|
| Trading volume of Olvi A shares | 1,474,892 | 1,575,876 |
| Total trading volume, EUR 1,000 | 60,470 | 56,680 |
| Traded shares in proportion to all Series A shares, % | 8.7 | 9.3 |
| Average share price, EUR | 41.03 | 36.01 |
| Price on the closing date, EUR | 48.50 | 41.20 |
| Highest quote, EUR | 50.00 | 42.60 |
| Lowest quote, EUR | 30.25 | 31.20 |

7. FOREIGN AND NOMINEE-REGISTERED HOLDINGS ON 31 DECEMBER 2020

| | Book entries | | Votes | | Shareholders | |
|------------------------------------|--------------|--------|------------|--------|--------------|--------|
| | qty | % | qty | % | qty | % |
| Finnish total | 15,839,313 | 76.44 | 86,752,177 | 94.67 | 14,045 | 99.60 |
| Foreign total | 61,980 | 0.30 | 61,980 | 0.07 | 46 | 0.33 |
| Nominee-registered (foreign) total | 114,496 | 0.55 | 114,496 | 0.12 | 6 | 0.04 |
| Nominee-registered (Finnish) total | 4,706,443 | 22.71 | 4,706,443 | 5.14 | 5 | 0.03 |
| Total | 20,722,232 | 100.00 | 91,635,096 | 100.00 | 14,102 | 100.00 |

8. LARGEST SHAREHOLDERS ON 31 DECEMBER 2020

| | Series K | Series A | Total | % | Votes | % |
|---|-----------|------------|------------|--------|------------|--------|
| 1. Olvi Foundation | 2,363,904 | 890,613 | 3,254,517 | 15.71 | 48,168,693 | 52.57 |
| 2. The Estate of Hortling Heikki *) | 903,488 | 103,280 | 1,006,768 | 4.86 | 18,173,040 | 19.83 |
| 3. Hortling Timo Einari | 212,600 | 49,257 | 261,857 | 1.26 | 4,301,257 | 4.69 |
| 4. Hortling-Rinne Marit | 149,064 | 14,699 | 163,763 | 0.79 | 2,995,979 | 3.27 |
| 5. OP Custody Ltd, nominee register | | 2,318,839 | 2,318,839 | 11.19 | 2,318,839 | 2.53 |
| 6. Nordea Bank Abp, nominee register | | 1,299,816 | 1,299,816 | 6.27 | 1,299,816 | 1.42 |
| 7. Skandinaviska Enskilda Banken AB (publ.) Helsinki branch, nominee register | | 1,040,991 | 1,040,991 | 5.02 | 1,040,991 | 1.14 |
| 8. Varma Mutual Pension Insurance Company | | 828,075 | 828,075 | 4.00 | 828,075 | 0.90 |
| 9. Ilmarinen Mutual Pension Insurance Company | | 675,000 | 675,000 | 3.26 | 675,000 | 0.74 |
| 10. Hortling Pia Johanna | 23,388 | 23,566 | 46,954 | 0.23 | 491,326 | 0.54 |
| Others | 79,812 | 9,745,840 | 9,825,652 | 47.41 | 11,342,080 | 12.37 |
| Total | 3,732,256 | 16,989,976 | 20,722,232 | 100.00 | 91,635,096 | 100.00 |

*) The figures include the shareholder's own holdings and shares held by parties in his control.

During January-December 2020, Olvi has not received any flagging notices in accordance with Chapter 2, Section 10 of the Securities Markets Act.



9. PROPERTY, PLANT AND EQUIPMENT

| EUR 1,000 | 1-12/ 2020 | 1-12/ 2019 |
|---------------------------|------------|------------|
| Opening balance | 208,701 | 196,540 |
| Additions | 31,923 | 34,197 |
| Deductions and transfers | -2,294 | -2,286 |
| Depreciation | -22,625 | -21,978 |
| Exchange rate differences | -11,549 | 2,228 |
| Total | 204,156 | 208,701 |

10. CONTINGENT LIABILITIES

| EUR 1,000 | 31 Dec 2020 | 31 Dec 2019 |
|--------------------------------------|-------------|-------------|
| Pledges and contingent liabilities | | |
| For own commitments | 1,938 | 1,938 |
| Leasing and rental liabilities: | | |
| Due within one year | 788 | 804 |
| Due within 1 to 5 years | 398 | 306 |
| Due in more than 5 years | 0 | 0 |
| Leasing and rental liabilities total | 1,186 | 1,110 |
| Other liabilities | 60 | 60 |

11. CALCULATION OF FINANCIAL RATIOS

In the summary of financial indicators (page 1), the Group presents figures directly derived from the consolidated income statement: net sales, operating profit and profit for the period, the corresponding percentages in proportion to net sales, as well as the earnings per share ratio. (Earnings per share = Profit belonging to parent company shareholders / Average number of shares during the period, adjusted for share issues.)

In addition to the consolidated financial statements prepared in accordance with IFRS, Olvi Group presents Alternative Performance Measures that describe the financial development of its business and provide a commensurate overall view of the company's profitability, financial position and liquidity.

The Group has applied the ESMA (European Securities and Markets Authority) new guidelines on Alternative Performance Measures that entered into force on 3 July 2016 and defined APMs as described below.

As an APM supporting net sales, the Group presents sales volumes in millions of litres. Sales volume is an important indicator of the extent of operations generally used in the industry.

The definition of gross margin is operating profit plus depreciation and impairment.

Equity per share = Shareholders' equity held by parent company shareholders / Number of shares at end of period, adjusted for share issues.

Equity to total assets, % = 100 * (Shareholders' equity held by parent company shareholders + non-controlling interests) / (Balance sheet total).



Gearing, % = $100 * (\text{Interest-bearing debt} - \text{cash in hand and at bank}) / (\text{Shareholders' equity held by parent company shareholders} + \text{non-controlling interests})$